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U.S. PATENT & TRADEMARK OFFICE

TO: Mail Stop 8 Director of the U.S. Patent and Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450	REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK
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In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been filed in the U.S. District Court E/D AR, Little Rock, AR on the following ☒ Patents or ☐ Trademarks:

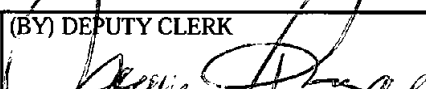
DOCKET NO. 4:08CV00276	DATE FILED 4/2/2008	U.S. DISTRICT COURT E/D AR, Little Rock, AR
PLAINTIFF VESTCOM INTERNATIONAL INC		DEFENDANT INFORMATION PLANNING & MANAGEMENT SERVICE INC, d/b/a IPMS
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 7,287,001 ⁸¹		
2		
3		
4		
5		

In the above—entitled case, the following patent(s)/ trademark(s) have been included:

DATE INCLUDED	INCLUDED BY <input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading	
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1		
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In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT

CLERK JAMES W. McCORMACK	(BY) DEPUTY CLERK 	DATE 4/10/08
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Copy 1—Upon initiation of action, mail this copy to Director Copy 3—Upon termination of action, mail this copy to Director
Copy 2—Upon filing document adding patent(s), mail this copy to Director Copy 4—Case file copy

COUNT 5

Vestcom incorporates by reference as though fully set forth herein the allegations contained in paragraphs 1 through 37.

38. The '001 Patent is unenforceable for inequitable conduct in failing to comply with the disclosure requirements of 37 C.F.R. § 1.56, because the individuals set forth in 37 C.F.R. § 1.56 were aware of information highly material to patentability—including information disclosed in an International Search Report for the PCT Application and information set forth in the specification of the '001 Patent—and never provided those references or any other information to the PTO in an Information Disclosure Statement in compliance with 37 C.F.R. §§ 1.97 and 1.98, and because those individuals had the requisite intent to mislead the PTO that is necessary to support a finding of inequitable conduct in light of the materiality of those references.

COUNT 6

Vestcom incorporates by reference as though fully set forth herein the allegations contained in paragraphs 1 through 38.

39. IPMS's statements to Sears that use of the Strips will require a royalty to be paid to IPMS if not purchased directly from IPMS or one of its partners is a false or misleading description or representation of fact in commercial advertising or promotion that misrepresents the nature, characteristics, and/or qualities of IPMS's goods and Vestcom's goods in violation of 15 U.S.C. § 1125(a)(1), and Vestcom has been or is likely to continue to be damaged by such statements.

COUNT 7

Vestcom incorporates by reference as though fully set forth herein the allegations contained in paragraphs 1 through 39.

40. IPMS has tortiously interfered with Vestcom's business expectancy under Arkansas law.

WHEREFORE, Vestcom requests that this Court enter the following orders and judgments:

- (a) Finding the '001 Patent to be invalid;
- (b) Finding the '001 Patent to be unenforceable;
- (c) Finding that the manufacture, use, sale, and/or offer for sale of the Strips by Vestcom does not infringe the '001 Patent;
- (d) Finding that IPMS has violated 15 U.S.C. § 1125(a)(1);
- (e) Finding that IPMS has tortiously interfered with Vestcom's business expectancy under Arkansas law;
- (f) Preliminarily and permanently enjoining IPMS and its parents, subsidiaries, divisions, officers, directors, agents, dealers, representatives, servants, employees, successors, assigns, and all parties acting in concert or participation with them, from:
 - (1) Asserting, licensing, and attempting to license the '001 Patent;
 - (2) Violating 15 U.S.C. § 1125(a)(1);
 - (3) Interfering with Vestcom's contracts or business expectancies;

- (g) Finding this to be an exceptional case and awarding Vestcom its reasonable attorney fees under 35 U.S.C. § 285; and
- (h) Awarding Vestcom such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 38, Plaintiff Vestcom International, Inc., demands a trial by jury of all issues triable of right to a jury and raised by the pleadings in this action.

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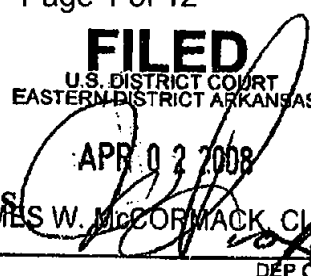
BIN 83054

Attorneys for Plaintiff Vestcom International, Inc.

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT ARKANSAS

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF ARKANSAS
WESTERN DIVISION**

APR 02 2008

JAMES W. MCCORMACK, CLERK
By:  DEP. CLERK

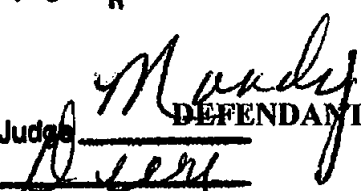
VESTCOM INTERNATIONAL, INC.

PLAINTIFF

VS.

CASE NO. 4 - 0 8 - C V 0 0 0 2 7 6 JMM

**INFORMATION PLANNING AND
MANAGEMENT SERVICE, INC. d/b/a IPMS**

This case assigned to District Judge 
and to Magistrate Judge 

DEFENDANT

COMPLAINT FOR DECLARATORY JUDGMENT

Plaintiff Vestcom International, Inc., by and through its undersigned attorneys, Lathrop & Gage L.C.; Rose Law Firm; and Patricia J. Hays, for its Complaint against Defendant Information Planning and Management Service, Inc. d/b/a IPMS, alleges as follows:

PARTIES

1. Plaintiff Vestcom International, Inc. ("Vestcom"), is a company duly organized and existing under the laws of the State of New Jersey, with its corporate offices located at 7304 Kanis Road, Little Rock, Arkansas 72204.

2. Defendant Information Planning and Management Service, Inc. d/b/a IPMS ("IPMS"), is a corporation duly organized and existing under the laws of the State of Delaware, having its principal place of business at 21592 Atlantic Boulevard, Suite 110, Sterling, Virginia 20166.

3. Vestcom is a leading manufacturer of point-of-purchase marketing products in the United States and has its corporate headquarters in Little Rock, Arkansas. Specifically, Vestcom is engaged in the business of creating, manufacturing, marketing, distributing, and selling shelf

labels and shelf strips for use in retail establishments. Vestcom's products are currently used in 48 of the 50 states.

4. Vestcom has been specifically engaged in the business of creating, manufacturing, marketing, distributing, and selling shelf labels and shelf strips, which have product information printed thereon, since 1999. Vestcom has long-standing and favorable relationships with purchasers of these products.

JURISDICTION

5. This is an action for declaratory judgment under the Declaratory Judgment Act, 35 U.S.C. § 2201(a), that U.S. Pat. No. 7,287,001 (the "'001 Patent") is invalid for failing to comply with one or more requirements of Title 35 of the U.S. Code; that Vestcom does not infringe the '001 Patent; that IPMS has engaged in false advertising in violation of 15 U.S.C. § 1125(a)(1); and that IPMS has tortiously interfered with Vestcom's business expectancy under Arkansas law.

6. There is a case of actual controversy within this Court's jurisdiction under 35 U.S.C. § 2201(a), because IPMS has contacted Vestcom customers and represented that IPMS has a patent on a product currently being provided by Vestcom; that due to the ownership by IPMS of the '001 Patent, Vestcom's current customers would have to use IPMS as a supplier of the product or pay IPMS a per-store royalty; and that any party other than IPMS supplying the product to Vestcom's current customers would have to pay IPMS various royalties under the '001 Patent. This dispute is definite and concrete, touching the legal relations of parties having adverse legal interests, and specific relief is sought.

7. This Court has subject matter jurisdiction under §§ 1338(a) and (b), because this action arises under the Patent Act set forth at Title 35 of the U.S. Code and the claim of unfair competition set forth herein is joined with a substantial and related claim under the patent laws. In any event, this Court has subject matter jurisdiction under 28 U.S.C. §§ 1332(a)(1), because the matter in controversy exceeds the sum of \$75,000.00 (exclusive of interest and costs), and Vestcom and IPMS are citizens of different States.

8. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and (c) because a substantial part of the events giving rise to this claim occurred in this district and because IPMS is subject to personal jurisdiction in this district.

9. This Court has personal jurisdiction over IPMS under Ark. Code Ann. § 16-4-101(B) (2008) because IPMS has engaged in tortious conduct calculated to cause injuries to Vestcom in Arkansas; IPMS advertises goods and services in Arkansas; and IPMS's false advertising relates to goods purchased for use in approximately 2,300 Sears and K-Mart stores, many of which are located in Arkansas.

FACTS

10. S. Douglas Falls, Ernest J. Dale, Rod Matheson, and Scott A. McPhillips (collectively "the Applicants") are the named inventors of the '001 Patent, though a printing error omitted McPhillips from the face of the '001 Patent.

11. On July 31, 1995, a provisional patent application was filed with the U.S. Patent and Trademark Office ("PTO"); the patent application was assigned Patent Application Serial No. 60/001,673 (the "Provisional Application").

12. All ownership rights to the invention disclosed and claimed in the Provisional Application, and all patents issuing there from, were assigned to Intelledge Corporation ("Intelledge") by the Applicants. The assignments were executed on July 24, 1996, and recorded with the U.S. Patent and Trademark Office on August 9, 2002, under Reel 013181, Frame 0224.

13. On July 31, 1996, a Patent Cooperation Treaty ("PCT") patent application ("the PCT Application") was filed, claiming priority to the Provisional Application.

14. The statutory cutoff date to file a nonprovisional patent application in the U.S. claiming priority to the PCT Application was January 31, 1998.

15. On January 20, 1998, a nonprovisional patent application was filed in the U.S. under 35 U.S.C. § 371 claiming priority to the PCT Application; the nonprovisional application was assigned Patent Application Serial No. 08/983,394 (the "Non-Provisional Application").

16. The Non-Provisional Application, as filed on January 20, 1998, did not meet all of the requirements of 35 U.S.C. § 371, as the application did not include an oath or declaration of the inventors in compliance with 37 C.F.R. §§ 1.497(a) and (b).

17. The PTO sent the legal representative of Intelledge a Notification Of Missing Requirements on August 25, 1998, indicating that an oath or declaration of the inventors in compliance with 37 C.F.R. §§ 1.497(a) and (b), and a surcharge in accordance with 37 C.F.R. § 1.492(e), "must be submitted within one month from the date of this notice or by...31 months from the priority date for the application, whichever is later." According to the Notification Of Missing Requirements, "[f]ailure to properly respond will result in abandonment."

18. A proper response to the Notification of Missing Requirements was not timely filed, and the Non-Provisional Application was abandoned on February 5, 1999.

19. Prior to the abandonment of the Non-Provisional Application, Intelledge filed for bankruptcy and all of its assets passed to a trustee.

20. On July 1, 1999, all of Intelledge's assets, including the Non-Provisional Application, were purchased by IPMS. Applicant Ernest J. Dale was a principal of IPMS.

21. On August 5, 2002, the legal representative of IPMS filed a Petition For Revival Of An Unintentionally-Abandoned Patent Application Under 37 C.F.R. § 1.137(b) (the "First Petition"), that included a declaration of Ernest J. Dale, to establish that the abandonment of the Non-Provisional Application was not intentional, the declarations of the Applicants to satisfy the requirements of 35 U.S.C. § 371, and the required fees.

22. On November 27, 2002, the PTO denied the First Petition because the declarations of the Applicants filed with the First Petition to satisfy the requirements of 35 U.S.C. § 371 did not comply with Manual of Patent Examining Procedure ("MPEP") § 201.03, and because the First Petition did not establish that the persons who controlled the prosecution of the Non-Provisional Application at the time of abandonment did not intend for the Non-Provisional Application to abandon.

23. On January 27, 2003, the legal representative of IPMS filed a Petition For Revival Of An Unintentionally-Abandoned Patent Application Under 37 C.F.R. § 1.137(b) (the "Second Petition") that included a declaration to overcome the previous noncompliance with MPEP § 201.03, a declaration from an officer of Intelledge, and a declaration of an attorney that was not of record when the Non-Provisional Application became abandoned.

24. On June 5, 2003—more than four years after the Non-Provisional Application became abandoned—the PTO granted the Second Petition under 37 C.F.R. § 1.137(b) and revived the Non-Provisional Application.

25. The Non-Provisional Application was allowed on September 7, 2007, and issued on October 23, 2007. Attached hereto as Exhibit 1 is a copy of the '001 Patent.

26. Vestcom has manufactured, offered for sale, and sold shelf strips containing product information printed thereon (the "Strips") since 1999 to various retailers, including Sears Holdings Management Corporation ("Sears") since early 2007, and desires to continue these activities. Vestcom produces the Strips in its Little Rock, Arkansas, location, where it employs approximately 240 associates.

27. On November 30, 2007, Sears issued a Request For Quotation ("RFQ") for supply of the Strips to be used nationally at Sears and K-Mart stores, including but not limited to Sears and K-Mart stores located in Arkansas and in this district.

28. Vestcom responded to the RFQ and reasonably expected to maintain its business relationship with Sears.

29. After November 30, 2007, IPMS represented to Sears that IPMS has a patent on the labels, that due to the ownership by IPMS of the '001 Patent, Sears would have to use IPMS as a supplier of the Strips or pay IPMS a per-store royalty, and that any party besides IPMS supplying the Strips to Sears would have to pay IPMS various royalties under the patent for both processing data and printing the Strips.

30. IPMS knew or should have known of the invalidity of its patent at the time it made the representations to Sears.

31. IPMS knew of Vestcom's business expectancy with Sears upon and before contacting Sears.

32. IPMS's intentional interference caused a loss of Vestcom's business expectancy, as set forth in the RFQ, as more onerous terms will be imposed on Vestcom by Sears, including, but not limited to, indemnification of Sears for any patent litigation relating to the Strips. In addition, Vestcom has suffered a loss of reputation due to IPMS's improper statements to Sears.

33. As a result of IPMS's assertion of the '001 Patent in the marketplace, Vestcom is threatened with continuing loss of sales to its existing and potential customers, and is losing and will continue to lose the goodwill of its customers, all of which will continue unless IPMS is permanently enjoined by this Court from asserting the '001 Patent to any of Vestcom's customers or potential customers.

COUNT 1

Vestcom incorporates by reference as though fully set forth herein the allegations contained in paragraphs 1 through 33.

34. The '001 Patent is invalid because the Non-Provisional Application was abandoned under 35 U.S.C. §§ 371 and 133 and never lawfully revived on the grounds required by those statutes, because, among other things, those statutes require a showing that the delay was "unavoidable" and the PTO improperly applied an "unintentional" standard.

COUNT 2

Vestcom incorporates by reference as though fully set forth herein the allegations contained in paragraphs 1 through 34.

35. The '001 Patent is invalid for failure to comply with the requirements of 35 U.S.C. § 102 and/or 35 U.S.C. § 103, because all claims of the '001 Patent are anticipated by and/or are obvious in light of prior art.

COUNT 3

Vestcom incorporates by reference as though fully set forth herein the allegations contained in paragraphs 1 through 35.

36. Vestcom's making, using, selling and offering for sale the Strips; Vestcom's customers' use of the Strips; and Vestcom's potential customers' use of the Strips does not infringe the '001 Patent under Title 35 of the U.S. Code, because, among other things, the '001 Patent is invalid.

COUNT 4

Vestcom incorporates by reference as though fully set forth herein the allegations contained in paragraphs 1 through 36.

37. The '001 Patent is unenforceable under the equitable doctrine of laches due to unreasonable delays in prosecuting the Non-Provisional Application, because the Non-Provisional application was allowed to abandon for fifty-two (52) months, because IPMS's use of two extensions of time under 37 C.F.R. § 1.136(a) after the Non-Provisional application had been abandoned for fifty-two (52) months is unreasonable, and because Vestcom has undertaken significant investments to manufacture and sell the Strips that would not have occurred if IPMS had been diligent in obtaining patent protection.